

TERMS & CONDITIONS – CFS Brands, LLC

1. Terms and Method of Payment

- a. All orders are subject to approval and acceptance by SELLER. No order accepted by SELLER shall be subject to cancellation, termination, suspension, change, reduction, cutback or other modification except with SELLER'S prior written consent. Orders for equipment and custom ITEMS may not be cancelled.
- b. SELLER's standard terms of payment are net 30 days from invoice date, with approved credit. The terms of credit, if extended, may be changed or credit may be withdrawn by SELLER at any time. No orders will be shipped on a COD basis.
- c. Prices do not include federal, state or local taxes, duties or other levies, now or hereafter enacted, applicable to the items deliverable under the sales order or invoice (hereinafter called ITEMS), which taxes, duties, or other levies will be added by SELLER to the sales price and will be paid by BUYER unless BUYER provides SELLER with a proper exemption certificate.
- d. Packaging for commercial shipment is included in the contract price. Any special packaging, crating or shipping instructions must be noted on BUYER'S original order and acknowledged by SELLER.

2. Title and Delivery

- a. The ITEMS shall be delivered FOB SELLER'S plant, and title thereto shall pass to BUYER, upon SELLER'S delivery of the ITEMS to a common carrier for shipment to BUYER.
- b. All items from a single CFS Brands catalog may be combined to obtain prepaid freight, regardless of the shipping point. Items from different catalogs (e.g. San Jamar and Dinex catalog ITEMS) may not be combined to obtain prepaid freight.
- c. Freight is prepaid on orders, meeting the thresholds defined in the table below, to one destination within the contiguous 48 United States. Orders for Snap Drape or Marko ITEMS are not eligible for prepaid freight.

Brand / Sales Channel	Carlisle / FoodService	Sparta, Carlisle / Sanitary Maintenance	San Jamar	Dinex / Healthcare	Snap Drape	Marko
Net order threshold	\$3,500.00	\$2,500.00	\$2,500.00	Disposables: 150 cases Equipment: Not eligible	Not eligible	Not eligible

- d. Transportation charges for all equipment (including drying & storage carts, delivery carts, base heaters, etc.) are prepaid and added to invoice.
- e. When the order qualifies for prepaid freight, Seller shall have the right to select the means of transportation. Any costs incurred by SELLER due to transportation by any other means shall be paid by the BUYER.
- f. Palletized orders requiring heat treated pallets will be charged \$10.00 net per pallet. Orders requiring bark-free pallets will be charged \$25.00 net per pallet.
- g. Any accessorial charges incurred because of a customer request will be the responsibility of the requester.
- h. Backordered items are shipped using the same freight terms as the original order.

3. Inspection and Acceptance

- a. Thoroughly inspect all shipments. Do not accept a damaged or short shipment until exception is noted on the freight bill. BUYER will be held responsible for all shipments with freight bills signed free and clear.
- b. If concealed damage is discovered, contact the freight company immediately for inspection. Concealed damage must be reported to the carrier within 7 days of receipt.
- a. All damaged goods and shortages that are not properly documented and reported upon receipt become the sole responsibility of the BUYER.

4. Patent Indemnification

SELLER shall protect and indemnify BUYER and its directors, officers, agents and employees against all claims for damages or profits, including all reasonable costs incurred by BUYER in connection therewith, arising from infringement of patents, copyrights, trademarks or misappropriation of designs.

5. Returns and Cancellations

- a. No returns will be accepted without an authorization number from CFS Brands Customer Service. An authorization number may be obtained by calling 800-654-8210 and requesting a Return Authorization from Customer Service. All requests for return must occur within 90 days of the original shipment of the items. Merchandise returned without authorization will be refused and returned to the customer, freight collect.
- b. Any merchandise approved for return must be returned freight prepaid and is subject to a minimum of 50% restocking charge for all Snap Drape and Marko ITEMS or a minimum of 20% restocking charge for all other ITEMS.
- c. All returned goods must reference the original invoice and purchase order.
- d. Returned goods must be in original standard packs and in unused salable condition.
- e. Special order ITEMS, make-to-order ITEMS, ITEMS modified for BUYER and discontinued items will not be accepted for exchange or return.

6. General

- a. All prices are subject to change without notice. Orders from authorized accounts will be accepted with the understanding that prices are those in effect at the time of shipment. These prices are exclusive of all sales taxes which may be levied by State, Federal, or City governments.
- b. Orders less than \$250.00 net will not be accepted. Orders less than \$750.00 net will be charged a \$75.00 small order fee. Orders for Snap Drape ITEMS are exempt from the minimum order threshold and may be charged a \$25.00 small order fee if less than \$250.00 net.
- c. Orders calling for less than a standard case pack will be charged a \$10.00 handling fee.
- d. Orders requiring 3rd-party freight or freight-collect billing terms will not be accepted.
- e. Initial orders for new customers must be \$15,000.00 net or more. Orders for Snap Drape or Marko ITEMS must be \$1,500.00 net or more. All new customers must provide a tax exemption certificate.
- f. All orders for special order ITEMS or make-to-order ITEMS are subject to shipment of plus or minus 10% of the quantity ordered.
- g. No ITEMS to be furnished hereunder shall be exported by BUYER unless SELLER is first notified in writing of the intention to export, and all applicable regulations and licenses are complied with and obtained by BUYER or its customer.
- h. SELLER hereby certifies that the goods described herein of its manufacture will be produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and all order of the United States Department of Labor issued under Section 14 thereof. SELLER further certifies that it is in compliance with the Equal Employment Opportunity clause in Section 202, paragraphs 1 through 7 of Executive Order 11246, as amended, relative to equal employment opportunity and the implementing Rules and Regulations of the Office of Federal Contract Compliance.
- i. SELLER is not responsible for typographical errors made in any of its publications or for stenographic or clerical errors made in preparation of quotations, sales orders, acknowledgments, or invoices. All such errors are subject to correction.
- j. This agreement shall be governed by the laws of the state of Oklahoma.
- k. SELLER'S "Terms and Conditions" as set forth above shall govern all transactions. Any inconsistent terms of BUYER wherever set forth and whether oral or written, shall not be binding upon SELLER unless agreed to by SELLER in writing. No waiver or exception to any of the hereinabove enumerated conditions or any of the special terms and provisions relating to any order shall be binding upon SELLER unless agreed to in writing by SELLER.
- l. SELLER reserves the right to change or discontinue the color, design, component content or price of any ITEMS in SELLER'S catalog or published price lists without prior notice at any time.

The specifications and prices listed in this document are subject to change. CFS Brands does not assume responsibility for typographical errors.